USDA rural development program eyes expansion in Harvey County

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The United States Department of Agriculture Rural Development's Kansas Bureau has become a paradigm for a new trend in today's political scene.

Like many agencies today, the USDA Rural Development partner's more each year with the private sector. And, the results speak for themselves.

Five years ago, the agency administered $100 million to $110 million in statewide programs, all assisting rural communities with economic development. The agency has increased its partnerships with private lenders and now is responsible for more than $230 million in financial assistance. The once "unknown" agency now has a name for itself, said Chuck Banks, USDA Rural Development State Director.

When he took the reigns in 2001, he saw a need for a new philosophy, one aimed at building more partners in the private sector.

"It's all about partnerships. Reaching out and bringing more lenders, municipalities, chambers private foundations and faith-based organizations to the table," Banks said. "There are some projects like home improvements, or even as basic as water, gas that's needed in a rural part of Kansas, and the private sector can't tackle it on their own. That's where we step in. But keep in mind: We're partners, not competitors."

Young families have been making use of USDA loan programs to purchase homes in rural areas of Kansas. The USDA is trying to expand into Harvey County. Courtesy Photo

Partners like Mickey Fornaro-Dean, Harvey County Economic Development Director, share Bank's philosophy, knowing stronger ties creates a stronger local economy.

"We have one of the handful of their regional offices in our back yard. They've been such a key role-player in this community and the relationship will continue to grow with several programs available in our local communities," she said.

The USDA Rural Development at the federal level recently approved a record $99.7 million in funding assistance for Kansans for home ownership financing and housing assistance during its 2006 fiscal year through its rural housing programs. Burrton and Walton are two cities currently qualified for home loans. Residents have received flyers describing details on the program. Banks said several residents have contacted the local office for more information, and he expects home loans to pick up.

"This is really in its infant stages," he said. "Give it some time, and you'll see some turnout. What we learned from some of our initiatives is they take about one year or more to become fully known. We have to authorize more USDA-approved lenders before we get going at full speed."

The home loans range from a guaranteed or direct home loan. Under some programs, some applicants might qualify for a grant. Most applicants can't exceed the moderate income level, or 115 percent of the median income, for the county. Under other programs applicants must remain at less than 80 percent of the median income.

The Single Family Housing Guaranteed Loan Program helps financing for construction of a single family residence, or a purchase of an existing single family reidence. The loans are guaranteed for 30 years at a fixed rate by an approved lender and don't require a down payment. No private mortgage insurance is required, and the loans have no limit. The agency has several community initiatives responsible for changing the look and quality of life in rural Kansas. The Fort Riley initiative gained national and state recognition following more than $5 million in home improvement loans in its first year. Fort Leavenworth also has its initiative underway, and the agency is eyeing south-central Kansas for its next region.

"I would like to see some type of initiative here in south-central Kansas in 2007. We think Harvey County and this entire region can benefit from a wide variety of programs," he said.

Visit the USDA Web site at www.rurdev.usda.gov/ks/ to learn more about available programs, or call 283-0370.

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